



*Office of the United States Attorney
District of Arizona*

PRESS RELEASE

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TAX PREPARER INDICTED FOR FILING FALSE FEDERAL INCOME TAX RETURNS

The United States Attorney for the District of Arizona, Eileen J. O'Connor, Assistant Attorney General, Tax Division, Department of Justice, and James B. Collie, Special Agent in Charge, jointly announced the indictment of **RALPH N. WHISTLER**, on 2 counts of filing false federal income tax returns and 15 counts of aiding and assisting in the preparation and filing of false federal income tax returns. The criminal charges were returned by a federal grand jury today in Phoenix. The indictment is a culmination of an investigation conducted by the Internal Revenue Service - Criminal Investigation.

According to the indictment, **WHISTLER**, a current resident of San Diego, California, resided and worked in the Flagstaff, Arizona, area as a certified public accountant from about 1980 through 1996. **WHISTLER**'s work included the preparation of individual and corporate income tax returns for over one thousand clients. The indictment alleges that in 1995, **WHISTLER** began marketing a program that purported to legally reduce his client's income tax liabilities. He sold these programs to several clients for \$5,000 - \$10,000 per client. The indictment alleges that **WHISTLER** created nominee entities for each client to which he would assign the client's individual or business income.

WHISTLER also used this scheme himself to reduce his own income, resulting in two charges of filing false federal income tax returns. Each count of filing a false income tax return carries a

maximum penalty of up to three years imprisonment and/or a \$250,000 fine.

The other fifteen felony counts in the indictment are for **WHISTLER**'s preparation of false federal income tax returns for the clients who participated in the program. **WHISTLER** is charged with aiding and abetting the preparation of six false corporate income tax returns and nine false individual income tax returns. Each aiding and abetting count charged carries a maximum penalty of up to three years imprisonment and/or a \$250,000 fine.

WHISTLER's clients are not charged with any crime and are not accused of any wrongdoing.

This case is being prosecuted by Albert L. Kleiner and Lori A. Hendrickson, Trial Attorneys with the Department of Justice's Tax Division.

These charges are only allegations and the defendant is presumed innocent unless and until proven guilty.

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